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Record Type*: **Speeches & Remarks**

MONTH/YEAR of Records*: **May-1984**

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(1) Subject*: **Appropriations/Budget**

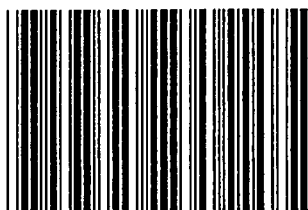
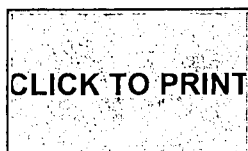
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(2) Subject* **National Association of Social Workers and MT Mental Health Association**

DOCUMENT DATE*: **05/05/1984**

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* "required information"



BAUCUS

SPEECH BEFORE THE MONTANA CHAPTER OF THE
NATIONAL ASSOCIATION OF SOCIAL WORKERS AND THE
MONTANA MENTAL HEALTH ASSOCIATION
Helena, Montana
May 5, 1984

It is a great pleasure to be here to address your convention this evening. I was asked to talk about "social issues in the 1980s." I'll do that, but with a slight twist.

I want to look at social issues in the context of the single most important issue facing the nation today: federal budget deficits. I will also try to bring you up-to-date on the status of legislation in the areas of social services and mental health.

THE DEFICIT TIME BOMB

When the federal government closed its books for 1983, it was overdrawn by \$207 billion. And 1984 looks no better, with the government expected to amass a \$200 billion deficit.

The deficit is growing at a rate of \$22 million an hour. At this rate, the federal government will accumulate a debt of \$3 trillion by 1990.

Skyrocketing budget deficits hurt all of us:

- o They take money out of the pockets of each working man and woman;

o They ignite inflation;

o They make it difficult for U.S. businesses to expand and invest;

But worst of all, these deficits mortgage our children's future. We will force them to pay for our mistakes.

CONGRESSIONAL ACTION

For the past six months, Congress has been looking for ways to defuse the deficit time bomb. Unfortunately, Congress has not been willing to accept any proposals that would help stop the deficit cycle in its tracks. Most of the bills have put off making reductions until 1986 or later.

Congress has also rejected plans that would be fair and even-handed. Just this past week, the Senate defeated legislation that I supported that would have asked the Pentagon and rich corporations to make the same sacrifices we're asking our elderly and working men and women to make.

Congress needs to take strong action to cut the budget, but this action must be tempered with balance and compassion.

REAGAN ADMINISTRATION BUDGET AND TAX CUTS

The Reagan Administration has made some effort to reduce the budget deficits. But the administration's record has not been one of compassion for the needs of women, children and families with low incomes.

For example, in the last three years:

- o Eligibility rules were tightened and more than one million recipients were eliminated from the food stamp program. Another 1.7 million had their benefits reduced.
- o A million low-income children were eliminated from the School Lunch program.
- o Funding levels for a supplemental food program for women, infants and children was frozen at 1981 levels so that now, less than one-third of the eligible recipients receive benefits.

In addition, the Administration's tax policy has favored the rich over the poor.

This year, the Reagan tax cuts will provide tax breaks averaging \$8,390 for families making \$80,000 and over. At the same time, families making between \$10,000 and \$20,000 will see a reduction in taxes of only about \$330.

When the effects of the Administration's tax and spending cuts are combined, families with incomes over \$80,000 will see a net gain averaging \$8,270 this year. Families making between \$10,000 and \$20,000 will have a gain averaging only \$30. But worst of all, those families that earn less than \$10,000 will suffer a net loss of \$390.

BUDGET DEFICITS AND SOCIAL ISSUES

Clearly, we need to get our economic house in order. Adverse trends in the economy have a direct impact on trends in our society.

Just look at some of the statistics:

- o Over the past four years, the percentage of Americans living in the poverty has steadily risen. Today, about 1 in every 7 Americans lives in poverty according to the Census Bureau. That's more than 34 million people.

- o Over the past four years, the number of reported cases of child abuse has increased. The divorce rate has also risen.

And there are many other statistics that I'm sure you could cite from your own experiences. The evidence is clear: bad economic times not only threaten our financial stability but also our psychological well-being.

That's why finding an effective solution to federal budget deficits is my number one priority.

LEGISLATIVE ACTION

Now for the good news. Over the past several years, Congress has fought to preserve funding for some of the crucial programs that serve the needy.

Funding for the Social Services Block Grant declined by almost \$500 million from 1980 to 1982. But during the fiscal year 1983 budget debate, Congress successfully restored \$50 million to the general grant. Later that year, Congress was also able to increase the funding level again by adding \$22 million as part of an emergency jobs bill.

The Community Services Block Grant was slated to receive \$360 million in fiscal year 1983. Congress increased that amount by \$25 million. The administration has tried to eliminate this block grant program altogether in fiscal year 1984 and 1985, but Congress has refused. Bills have already been introduced in the House and Senate that would reauthorize the Community Service Block Grant through fiscal year 1989.

Other bills have also been introduced this year to reauthorize the Social Services Block Grant, the Older Americans Act, Head Start, and other child nutrition programs.

The Senate just recently passed legislation, which I supported, to beef up child support enforcement programs. This legislation would expand current law to help mothers who are not on welfare to track down delinquent child support payers.

The House recently passed, and the Senate is still working on legislation to reauthorize programs to aid adoptive services, to help locate missing and runaway children, and to help protect abused children.

In March, the House passed Disability Insurance Amendments which create uniform standards for the government to follow when it reviews disability cases.

The Senate Finance Committee, on which I serve, is working on a similar package of Disability Insurance reforms. Among other things, this package would require the government to prove that a beneficiary's medical condition has improved before that person can be terminated from disability insurance.

In 1981, the government began to speed up its review process for disability insurance. Since that time, almost half a million individuals have been told they no longer qualify for benefits. Of those who appealed that decision, nearly two-thirds, about 160,000 people, have been reinstated by Administrative Law Judges and the courts.

This high reinstatement rate points to the fact that changes need to be made in the review process. And I can assure you that Congress is working on those changes.

CONCLUSION

We're facing tough economic times. Finding a solution to the spiralling budget deficits will not be easy. But it's a solution that we must find quickly if we want to ensure a stable and productive economy for our children and our children's children.

There are many of us in Congress who recognize the value of the work you are involved in and are willing to support you.

But this budget deficit crisis will prevent Congress from making any major increases in social program budgets. At best, I and others will be fighting to make sure that future budget cuts do not unfairly penalize women, children and low-income families while leaving the Pentagon and big business untouched.

I look forward to working with you to make the important programs now in place more efficient, more direct and more responsive to the needs of those you serve.

Thank you.